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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

4 February 1952

SUBJECT: NIE-49: SWEDEN'S POSITION IN THE EAST-WEST CONFLICT

THE PROBLEM

To assess: (a) Sweden's strategic importance; (b) its present policies in the East-West conflict; (c) the possibilities of a change in Sweden's position, and (d) the advantages and disadvantages of this position to NATO and the USSR.

CONCLUSIONS

1. Sweden's geographic location, sizeable economic resources, and considerable military potential make it the probable key to successful defense of Scandinavia, and thus of substantial strategic importance to both NATO and the USSR.

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2. Despite its pro-Western and anti-Communist outlook, Sweden will probably cling to its "alliance-free" policy as long as possible, even in event of war. It will resolutely resist both Soviet and Western pressures, unless surrounded and isolated by Soviet occupation of Norway, in which case it would be forced to make concessions to the USSR.

3. The only circumstance under which Sweden would be likely to join the NATO powers would be if it were convinced that an attack on Norway or itself were imminent and that the NATO forces could come quickly to its defense.

4. Until NATO is strong enough to defend Norway and Denmark, Sweden's "no-alliance" policy will hamper the development of adequate Scandinavian defenses and thus be disadvantageous to the West.

5. Conversely, Swedish neutrality will be advantageous to the Soviet Union and would probably be respected by the USSR in wartime unless the USSR considered it essential to invade Sweden as the most

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desirable means of access to the Norwegian coast. Should NATO defense capabilities grow to the point the USSR no longer considered that a Scandinavian campaign was feasible, it would find Swedish neutrality even more advantageous as a protection for the Soviet Baltic flank.

DISCUSSION

I. SWEDEN'S STRATEGIC IMPORTANCE

1. Geographic. Sweden, comprising over half of the Scandinavian peninsula, is a major factor in the control of the Baltic and its western entrance. It also lies across the most direct air routes between the northern and western USSR and Norway, the UK, Greenland, Iceland, and North America, and could provide offensive and defensive air facilities to either the USSR or the Western allies. Moreover, Sweden provides, with Finland, a buffer between the USSR and the valuable air and naval base sites along the Norwegian coast, the most logical approach to which lies through Sweden itself. Finally, the Scandinavian peninsula, including Sweden, overhangs the North German plain, the chief military route

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across Western Europe and if held securely by the NATO powers, could be used as a base from which to threaten Soviet lines of communication across Germany.

2. Economic. Sweden, one of the most highly industrialized nations in the world, is an important producer of ships, ball and roller bearings, industrial machinery, engines and turbines, electrical apparatus, steel, and numerous other manufactures, as well as high quality iron ore. The Swedish Bofors firm designs and produces excellent naval and anti-aircraft guns. Sweden's aircraft industry is capable of producing limited numbers of modern jet fighters. Its marine engineering and aeronautical installations are capable of extensive research and development work. Sweden's basic scientific and technological research is excellent in a number of fields. Its scientists rank with the world's best in physical chemistry and medicine, for example, and it expects to have an underground atomic pile operating in 1953.

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3. Some 92-93% of Swedish trade is with the West, the UK and West Germany being Sweden's largest customers. Sweden's large exports of iron ore, lumber, pulp and paper, bearings, machinery and ships, etc., make an important contribution to Western European economic strength. For example, Swedish ore supplies about 11% of the free world's iron.

4. Although Sweden is slightly more dependent on trade with the Soviet Bloc than most other Western European countries, this accounts for only 7-8% of Swedish trade. It consists chiefly of an exchange of iron ore, ball and roller bearings, and machinery for Polish coal and some mineral ores. This trade has been declining steadily over recent years, and under Western pressure, Sweden has adopted East-West trade controls comparable to those of the European NATO countries. It sells no munitions to the Soviet Bloc and only surrenders minimal quantities of strategic goods where essential to obtain such vital imports as Polish coal.

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5. However, Sweden's dependence on foreign sources for two-thirds of its raw materials and practically all of its coal, coke, and petroleum products renders its economy critically vulnerable to external pressures. Any major interference with the flow of imports would inevitably have serious disruptive effects on the Swedish economy.

6. Military. Sweden is modernizing and expanding its 75,000 man armed forces, the largest and best in Scandinavia, although far less than its resources would allow. The forthcoming defense budget will probably be more than 40% above that of the present fiscal year, although Sweden will still only be spending 5% of its national income for defense. It is building modern jet aircraft (and buying others from the UK), enlarging and modernizing its fleet and expanding ground force training. However, the armed forces suffer from serious weaknesses which sharply limit their capabilities in time of war. The quality of Swedish manpower and basic training is excellent, but the armed forces are lacking in combat experience and high level staff

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and command training for large operations, while serious logistical deficiencies exist.

7. Sweden's army of 50,000 comprises only 15,000 regulars, although mobilizable army manpower totals some 675,000 men, most of them semi-trained. The 9-10 month conscription period is inadequate by NATO standards, and there is a shortage of modern equipment.

8. Sweden's navy is a well-rounded force of high standards designed for coast defense. Built around three cruisers, twelve destroyers, and twenty-one submarines, it is weak in modern equipment, though a new construction and modernization program is in progress. By the end of 1952, for example, all submarines will be fitted with radar, sonar, and snorkels.

9. The Air Force, Europe's third best, is considered by Sweden to be its first line of defense. It has 1,688 aircraft (1,095 of them in operational units), of which 366 are jets. Of Sweden's 62 airfields, six can now sustain jet fighter or medium

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bomber operations, four more can sustain jet fighters and be developed for bombers, and a further ten can support limited jet fighter operations. Sweden's air defenses have been greatly improved [REDACTED]

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[REDACTED] but the air force is lacking in combat experience, its equipment is unequal to that of the USSR, and it suffers from critical logistic deficiencies, particularly fuel.

10. In the light of the above military weaknesses, the Swedish forces are presently incapable of more than a delaying action against a major Soviet attack unless they had sufficient time to mobilize and received substantial outside support. On the other hand, Sweden's already substantial military potential and resources provide a basis for a marked expansion in Swedish military capabilities, perhaps to the point where, together with the NATO Northern Command forces, they could successfully defend large areas of Scandinavia. Such a build-up of Swedish defenses, however, would require substantial outside assistance.

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11. Sweden's Role in NATO Defense. Sweden's overall strategic importance to the USSR and to the NATO powers depends primarily upon how essential these powers consider the control of the Scandinavian peninsula in event of war. If such control is a major strategic objective of the contending powers, then the position of Sweden, as the possible key to the defense of Scandinavia, is of great importance to both sides. We believe that the USSR would consider an early occupation of at least Norway and Denmark as second in importance only to its main thrust across Western Europe and would undertake such an operation as soon as sufficient forces were available. Soviet objectives would be to: (a) add depth to the USSR's air defenses, largely against atomic attack from UK bases; (b) secure the exits from the Baltic; (c) obtain air and sea bases in Norway; and (d) deny the area to the West. On the other hand, the defense of Norway and Denmark is an integral part of NATO planning, and efforts are being made to build

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up their defenses through substantial MDAP aid. However, until NATO forces are strong enough to defend Denmark or at least Norway, Sweden's active participation may well be the key to a successful Scandinavian defense.

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II. SWEDEN'S PRESENT POLICY IN THE EAST-WEST CONFLICT.

12. The Swedish people and government remain firmly attached to their traditional policy of "freedom from military alliances", the objective of which, together with the maintenance of adequate defenses, is to avoid involvement in a general war. To the Swedish public, which overwhelmingly supports the neutrality policy, the most persuasive argument in its behalf is the peace that the country has enjoyed for approximately 150 years. Although cognizant of the Soviet threat to Swedish security, the Swedes are not convinced that they have no hope of escaping involvement in a future war. They applaud the efforts of the West to rearm and support their own arms

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program, but they wish to avoid any foreign policy commitment that would automatically require them to fight. Moreover, they are confident that, regardless of their non-membership in NATO, the Western powers will come to their assistance in event of Soviet attack.

13. While all four non-Communist parties support in principle the non-alliance policy, there has been considerable public debate over the manner of its application.^{1/} The leaders of the Liberal and Conservative opposition parties have criticized the implementation of the policy by the majority Social Democratic-Agrarian Government as being too rigid, doctrinaire, and lacking in foresight. They contend that the government should bring about at least technical military cooperation with Denmark and Norway lest the absence of advance planning prejudice Western military assistance to Sweden in event of war. They also profess great concern over the impact of official Swedish policy on Western opinion, and desire that the West be in no doubt

^{1/} Sweden's small Communist party, while not objecting to neutrality as such, professes to regard it as a fraud, alleging that Swedish foreign policy is actually pro-Western and non-neutral.

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about Sweden's basic pro-Western orientation. A small but vocal minority led by some of the Liberal party press, including Sweden's largest daily, has gone further and attacked the neutrality policy, arguing that better security would be found in affiliation with NATO. A number of high-ranking Swedish military officers apparently share this view, but it has not at this juncture gained any appreciable public or political support.

14. Despite its official "non-alliance" policy, Sweden is strongly pro-Western and anti-Communist. The Swedish people have a deep-seated fear and mistrust of the USSR. Their attitude is based largely on historical conflicts with Tsarist Russia, which was Sweden's traditional enemy, but it has been strengthened in the postwar period by the USSR's aggressive international policy, incessant Soviet attacks on Sweden's grants of asylum to political refugees, and ^{the} recent disclosure of Soviet espionage in Sweden. Swedish relations with the Soviet bloc, especially with Poland, have worsened over the past year.

15. Sweden's sympathies, as well as its major economic interests, are with the Western countries, particularly the US and UK. Despite reservations over

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certain aspects of American foreign policy, and some lingering anti-American sentiment in Social Democratic circles against what they regard as the home of aggressive capitalism, there is a friendly feeling for the American people. Swedish domestic and foreign policy has become more overtly Western in its emphasis since the conflict in Korea, and particularly since NATO defensive capabilities have begun to grow.

III. POSSIBILITIES OF A CHANGE IN SWEDISH POLICY.

16. During the Cold War. Despite its pro-Western and anti-Communist outlook, Sweden is unlikely to change its formal "no-alliance" policy during peacetime, and will resolutely resist any Soviet or Western pressure in this direction. Neither the people nor the government are readily susceptible to outside political and psychological pressures, to which their history and spirit of independence, combined with a strong element of stubbornness, make them strongly averse.

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17. Sweden would be particularly resistant to Soviet threats, because of its traditional and ideological antipathy toward the USSR. It might be forced to make further limited economic concessions to the Soviet bloc in response to such economic warfare measures as a threat to deny it Polish coal. Beyond this, however, it would not yield to peacetime Soviet pressures to alter its foreign or military policies, although Soviet threats might lead the Swedes to take a more cautious approach in their relations with the West.

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and adequate Western aid would not be forthcoming, Sweden might well decide to remain neutral regardless of the risks.

22. Despite its neutrality, Sweden would probably not actively resist ^{the} overflight of Western aircraft, although it would officially protest. Particularly if these overflights were at high altit , the Swedes might only go through the motion of interception and AA fire, and the strongly pro-Western air force might actually assist lost or disabled Western aircraft. Sweden would more actively defend its neutrality against Soviet overflights, although not to the point of creating serious complications with the USSR. Only if Sweden had been isolated through Soviet occupation of Norway, might the government feel compelled by Soviet pressure to protest strongly and take more active measures. Even in this case the Swedish air force would be likely to be more lenient in practice than the government itself.

23. If Sweden were attacked by the USSR while neutral, it would resist with all its resources. Public opinion polls have indicated that 75% of the Swedish people are determined to resist Soviet attack, while

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only 7% favor non-resistance. The only circumstances under which Sweden would be likely to succumb to Soviet pressure would be if in event of war, Norway and Denmark had been occupied and Sweden completely isolated. In this case Sweden might be forced to re-orient its trade toward the Soviet bloc and perhaps to allow transit rights through Sweden, as it did for the Germans in World War II, although the Swedes would still resist a Soviet occupation. If Sweden were invaded and occupied, remnants of the Swedish forces would flee to Allied territory, and the Swedes would attempt to conduct widespread guerrilla warfare and sabotage operations.

IV. ADVANTAGES AND DISADVANTAGES OF SWEDEN'S POSITION TO THE WEST AND THE USSR

24. Advantages and Disadvantages to the West. During the period of NATO military weakness, particularly so long as Denmark and especially Norway cannot adequately be defended, we believe that Swedish neutrality would be disadvantageous to the West. Sweden's non-adherence to NATO seriously hampers an effective defense of Scandinavia, because it: (a) makes difficult if not impossible joint planning and defense coordination; (b) denies Sweden full access to Western military advice

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and assistance; (c) hampers Western efforts to exert pressure on Sweden to strengthen its defenses; and (d) reduces the deterrent to the USSR. If Sweden were to join NATO its large and potentially strong military establishment, together with Western military assistance, would greatly increase NATO capabilities for defending Scandinavia as a whole. It would enable Sweden's substantial military, economic and scientific resources to be geared more closely to NATO requirements, and would give a sharp boost to Danish and Norwegian morale.

25. Even if Sweden only joined the NATO powers in event of an imminent or actual attack on Scandinavia, this would still be substantially advantageous to the West. Although there would have been less opportunity for advance planning and coordination, Swedish participation would require the employment of large Soviet forces, add some depth to the defense of Norway, permit more effective control of the Baltic exits, and at best permit the successful defense of large areas of Scandinavia. If these areas could be held or if the USSR decided not to attack Scandinavia, Sweden could eventually be used as a base for NATO offensive operations against the Soviet Baltic flank. In any case, even if Sweden were overrun, the destruction of Swedish facilities in the course of the fighting (and

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by a Swedish "scorched earth" policy) might as well as continued guerrilla warfare might seriously reduce Soviet ability to utilize Swedish resources.

26. On the other hand Sweden's continued adherence to a "no-alliance" policy is not wholly disadvantageous to the West. Sweden already cooperates as effectively in East-West trade controls as most Western European countries. Soviet policy toward Finland is probably somewhat restrained by a desire not to alienate Sweden, although this factor is overstressed by the Swedes. Sweden's armed forces and determination to resist already provide some deterrent to Soviet occupation of Scandinavia in event of war. Moreover, once Danish and especially Norwegian defenses had been strengthened, Swedish neutrality, if respected by the USSR, would make difficult a successful Soviet attack on Norway.

27. It also seems possible that, by various expédients, the disadvantages to NATO of Sweden's official "no-alliance" policy might be partly overcome. If the Swedes could be induced to further strengthen their defenses and could more freely purchase Western equipment, the deterrent to a Soviet attack would be increased. If covert planning and defense coordination with Norway and Denmark could^{also} be developed, the lack of overt coordination under the NATO aegis would be less serious.

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Finally, if the Swedes could be influenced to give even a limited commitment to fight if Scandinavia were invaded, it would be a substantial gain for the West.

We are inclined to believe that, while Sweden will not join NATO during peacetime, it might prove receptive to some of the above proposals, particularly if NATO strength had grown and if international tensions had increased.

28. Advantages and Disadvantages to the USSR. We believe that the USSR would consider Swedish neutrality to be distinctly beneficial, at least up to the point where it undertook a Scandinavian campaign. There is some evidence that the USSR is anxious to ensure Swedish neutrality, as indicated by a reported Soviet approach to a Swedish official stressing the desirability of reviving a neutral Scandinavian bloc and Finnish Premier Kekkonen's recent, perhaps inspired remarks re the desirability of Swedish neutrality. The USSR's relatively cautious policy toward Finland may be at least partly inspired by a desire not to force Sweden any closer toward the West. The USSR doubtless recognizes that Sweden's present policy hampers the defense of Scandinavia and leaves the area more vulnerable to attack.

29. We are unable to estimate whether, in event of war, the USSR would invade Sweden. We believe that so long as the USSR considered that: (a) it could successfully occupy Norway without going through Sweden; and (b) it could rely on

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Swedish neutrality, it would see distinct advantages in observing Swedish neutrality. The USSR could thus conserve its forces and preserve undamaged the Swedish industrial establishment, while avoiding the expense of occupation and of coping with a probable "scorched earth" and ^{guerrilla} ~~guerrilla~~ campaign. Once it occupied Norway and Denmark, thus isolating Sweden, it could cut off Swedish exports to the West and, through its control over Sweden's essential imports, obtain increasing economic and other concessions. Sweden could always be attacked later, when Western aid was no longer possible.

30. On the other hand the USSR might well consider that an initial attack via Sweden would be essential to the success of its Scandinavian campaign. [REDACTED]

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Moreover, the Kremlin, which is probably quite suspicious of

Sweden's anti-Communist outlook, might estimate that Sweden would declare war

(as we consider likely) even if Norway alone were attacked. ^{Finally,} ~~Moreover,~~ a neutral

Sweden would: (a) deprive the USSR of the most direct line of communications

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to its Norwegian bases and full control of Swedish resources; (b) [REDACTED]

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[REDACTED] and (c) give refuge to fleeing Norwegian and Danish forces; and (d) become a base for resistance activities in these countries, despite Soviet pressure on Sweden to stop these activities.

31. Once NATO military strength has grown sufficiently to hold in Western Europe, and Norwegian-Danish defenses have increased substantially, the USSR may no longer feel able to divert sufficient forces for an early Scandinavian campaign. Under these circumstances, the USSR would probably look upon Swedish neutrality as a substantial advantage, as it would screen the Soviet Baltic flank and would prevent the NATO powers from making offensive use of Swedish bases.

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